



The President's Daily Brief

May 21, 1975

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~~*Top Secret*~~ 25X1

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LAOS

Communist-inspired demonstrations against the US erupted in Vientiane again last night. About 200 demonstrators entered the main AID and defense attaché compound before dawn today and sealed it off.

As of mid-morning in Vientiane, the demonstrators had also broken into the commissary and the US community center; some looting had occurred and several vehicles were damaged. The demonstrators had not entered the main offices where three US personnel--two Marines and a civilian--were holed up. Units of the capital's joint police force--consisting mostly of Pathet Lao--were outside the compound but made no effort to interfere.

The demonstrators' demands include:

--Abrogation of all "unequal" US-Lao agreements, particularly the 1951 aid agreement.

--Dissolution of the USAID organization.

--Departure of all American USAID employees within three days.

--Transfer of all USAID facilities and equipment to the coalition government.

Demonstrators also seized the USAID warehouse just outside the capital and some protesters stationed themselves at the entrance to the nearby American housing area. Americans were being allowed to enter and leave the housing area but vehicles were being checked. Police units were present but were not interfering. So far, there have been no incidents at the US embassy.

Senior Lao officials, in response to demarches by the US chargé, made no promises to halt the demonstrations but did offer assurances for the safety of US personnel.

Foreign Minister Phoumi Vongvichit and Minister of Economy Soth Phetrasy knew the demonstrations were planned, but were caught off guard by their scope.

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The Pathet Lao continue to move rapidly to establish control over non-communist areas, despite their apparent willingness to maintain, at least for the time being, the trappings of a center-left coalition government in Vientiane.

Communist combat troops have now occupied virtually every important former rightist stronghold in central and southern Laos. No resistance from non-communist forces has been reported.

The North Vietnamese evidently will provide the Pathet Lao with whatever logistic support they need to consolidate military control. According to a message intercepted on May 19, the commander of Military Region 559--the senior North Vietnamese headquarters responsible for the movement of personnel and supplies to South Vietnam and Laos--directed one of his principal subordinate units operating along the infiltration corridor to furnish "unrestricted" assistance in transporting "supplies, weapons, and personnel" to the Pathet Lao in order to enable them to "strike in a timely manner" and "gain the advantage."

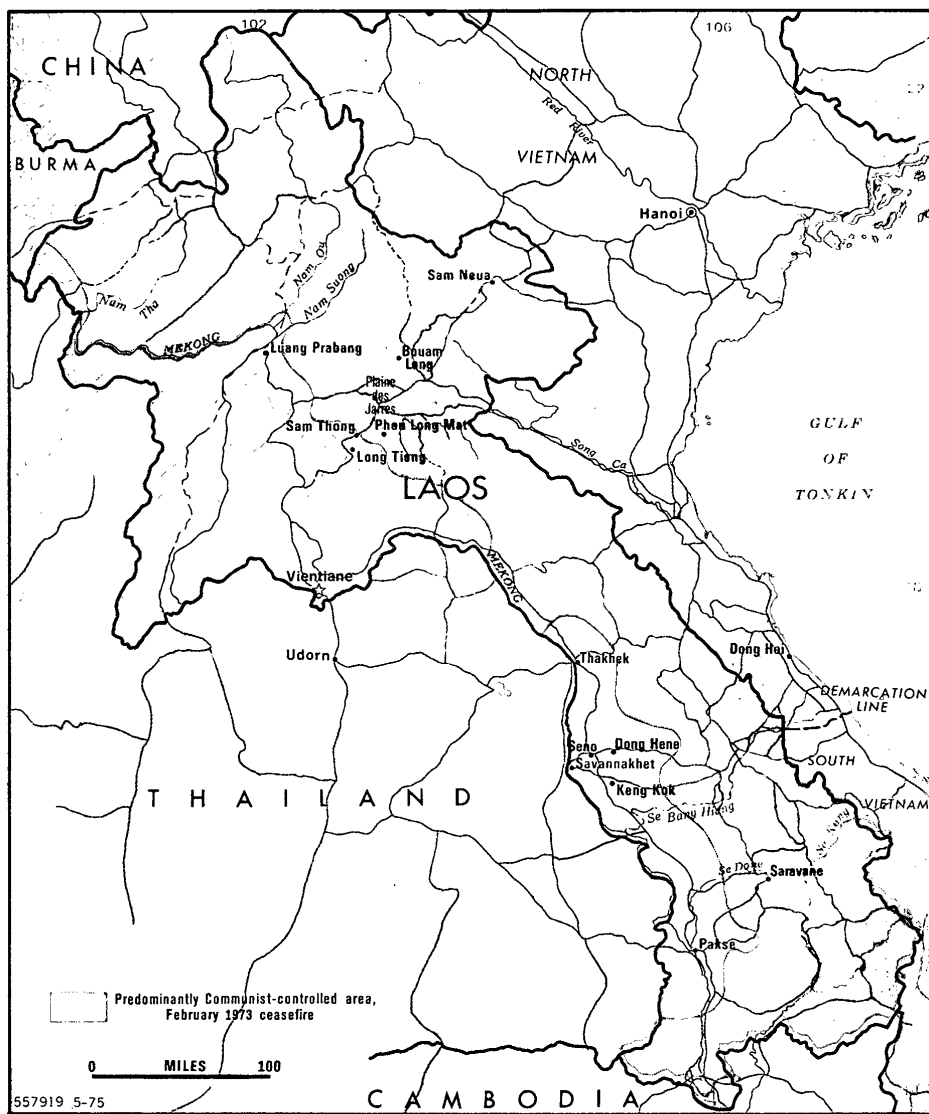
North Vietnamese helicopters made their first known flights to Saravane airfield in the southern Lao panhandle on May 19 and 20. The flights originated in North Vietnam (Hanoi and Dong Hoi) and may have carried high-level logistic officers into Laos.

A North Vietnamese infantry battalion has also been ordered to shift from the western highlands of South Vietnam into eastern Laos. There is no evidence that this or any other North Vietnamese combat force will be committed in support of the Lao communists. Indeed, the absence of any non-communist resistance suggests that such support will not be required.

At least 1,000 communist soldiers, accompanied by tanks and artillery, have reportedly moved into the city of Pakse. Farther north along the Mekong, an estimated three-to-four communist battalions yesterday occupied Savannakhet. Activist students and other communist-inspired demonstrators marshaled a large crowd to cheer the Pathet Lao's "triumphant" entry.

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The fate of the two American USAID employees seized by Savannakhet demonstrators yesterday is unknown. The ten other Americans in the city are apparently safe but still under "voluntary" house arrest. Prime Minister Souvanna Phouma yesterday assured the US chargé that neutralist Interior Minister Pheng Phongsavan and his communist deputy, Deuane Sonnarath, would definitely go to Savannakhet today, now that "our troops" have secured the city. In the chargé's view, this slip of the tongue by Souvanna is the clearest evidence to date of his endorsement of recent communist actions. Pheng and Deuane's presence in Savannakhet should help appease the demonstrators and secure the release of all Americans.

Elsewhere in the Savannakhet area, Pathet Lao battalions have reportedly moved into the towns of Seno, Keng Kok, and Dong Hene. Lao communist forces are also said to have occupied the city of Thakhek, some 60 miles north of Savannakhet.

In northern Laos, communist and pro-communist neutralist forces are consolidating their control over virtually all key positions defended until recently by General Vang Pao and his Meo tribesmen. Communist forces apparently have entered Vang Pao's headquarters complex at Long Tieng, his enclave at Bouam Long northeast of the Plaine des Jarres, Sam Thong, and Phou Long Mat.

* * *

On the political scene in Vientiane, Prime Minister Souvanna convened an emergency meeting of the coalition cabinet earlier this week to select replacements for recently ousted rightists. In a surprise announcement, Souvanna named neutralist Interior Minister Pheng Phongsavan to replace Sisouk na Champassak as minister of defense. This presumably means that "acting" communist Defense Minister Khammouane Boupha will return to his old number two spot at the ministry.

Noncontroversial non-communists were also named to replace Pheng at interior and to fill the remaining vacancies at finance, foreign affairs, and public works. Souvanna has, in addition, selected his nephew and personal physician as a tentative replacement for the rightist health minister, who is in Geneva.

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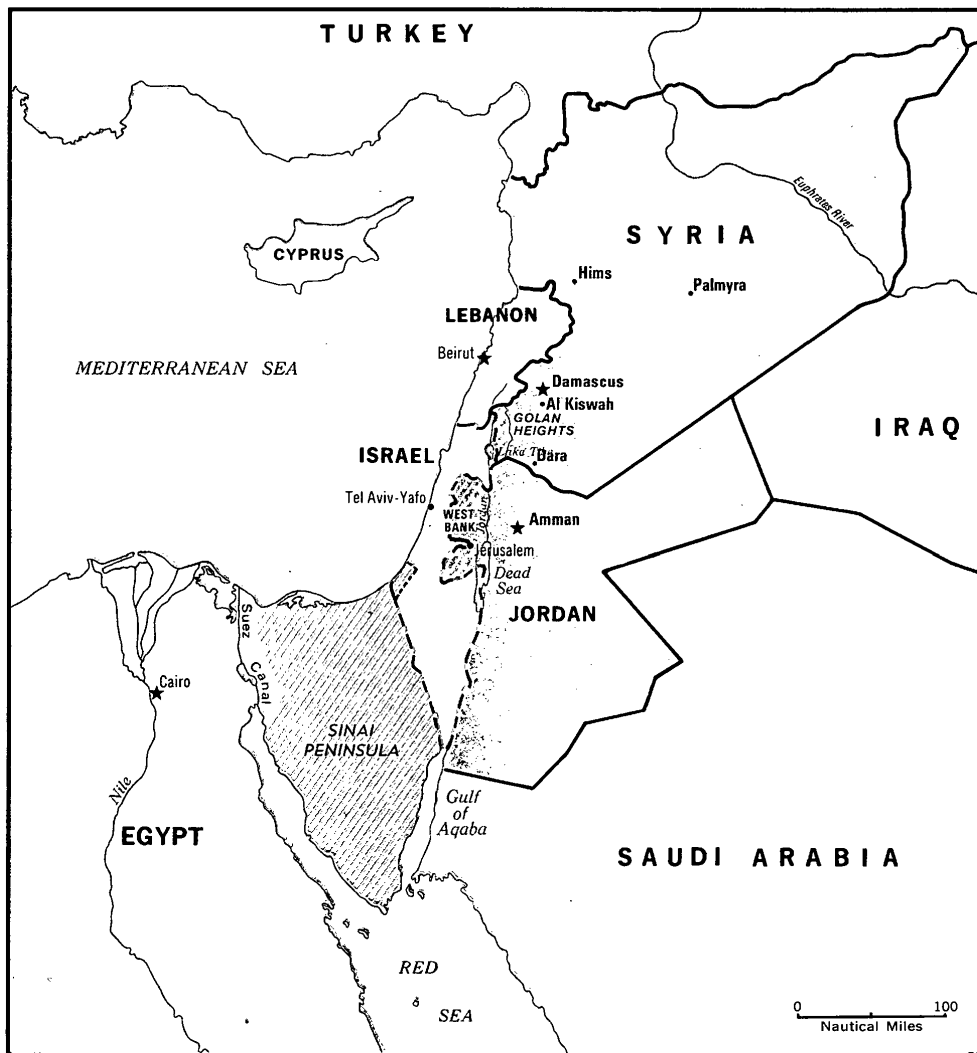
Communist Deputy Prime Minister Phoumi Vongvichit, whom Souvanna claims approved all of his selections, apparently made no effort to have Pathet Lao officials fill the vacant posts--all of which were allocated to the non-communists under the terms of the 1973 peace accords. This would appear to be another indication that the Pathet Lao are prepared, for now, to maintain the coalition facade.

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Souvanna also announced at the cabinet meeting that he had reached agreement with Phoumi to expand the membership of the coalition's Joint National Political Council from 42 to 72 delegates and to convert that body into a legislative replacement for the recently dissolved, rightist-dominated National Assembly. The additional delegates, according to the Prime Minister, will be evenly divided between the non-communists, the communists, and the so-called "qualified neutralists."

Transformation of the political council, which is chaired and dominated by communist leader Souphanouvong, into a legislative assembly has been a major goal of the Pathet Lao ever since they joined the coalition. With Souphanouvong riding herd over all delegates, the council will almost certainly become a rubber stamp Pathet Lao law-making body.



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ARAB STATES - ISRAEL

Syria and Jordan have recently shifted some forces to improve their military posture at the southern end of the Golan Heights.

Syria's 1st Armored Division may have been shifted from its reserve area just south of Damascus to positions closer to the border with Jordan. []

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[] the Damascus-Dara road [] was closed to civilian traffic for at least 24 hours to permit the movement of troops southward. During an observation of the 1st Division's armor camps near Al Kiswah [] no Syrian combat units present.

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The Jordanians also appear to have strengthened their position opposite Israel in the critical northern border area. []

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[] armored and infantry forces into the Jordan Valley area and []

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[] new defensive positions [] An armored battalion has [] been added to each of the two Jordanian infantry divisions normally stationed along the occupied West Bank and along the northern sector of its border with Israel.

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[] Jordan had reoriented forces away from Syria, stationed armor in the Jordan Valley for the first time in five years, and dispersed reserve units in the rear. [] Jordan's forces--like those of Egypt and Syria--are now in a position to launch an offensive without any significant further movement of forces.

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[] Some Israeli reservists [] were recalled to active duty earlier this month, but this action may have been a precaution against possible terrorist actions during independence celebrations last week.

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Syria also may have taken steps to strengthen its forces facing Iraq. [REDACTED]

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[REDACTED] 200 Syrian tank transporters carrying mostly tanks, but also some surface-to-air missile equipment [REDACTED] on the Hims-Palmyra road

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[REDACTED] The equipment may have been from the Syrian 3rd Armored Division normally stationed in the Damascus area. A shift of major elements of this unit to the north would significantly reduce Syria's only major armored reserve formation along the front with Israel.

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The Egyptians, meanwhile, are conducting a joint service exercise involving the air defense and air force, and probably army and commando units as well. The exercise began May 18 and should run through the 22nd. [REDACTED]

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[REDACTED] The Egyptians last held a major, service-wide communications exercise in late March and early April.

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THAILAND-VIETNAM

A North Vietnamese delegation, headed by Vice Minister for Foreign Affairs Pham Hien, arrives in Bangkok today to hold talks on normalizing relations. A South Vietnamese communist delegation left Bangkok empty-handed yesterday after three days of talks.

Foreign Minister Chatchai apparently believes that the South Vietnamese were sent merely to assess the mood of the Thai government for the North Vietnamese.

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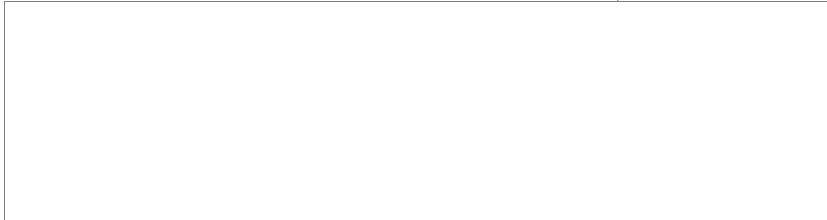
The North Vietnamese, anxious to exploit the recent strains in Thai-US relations, may arrive in Bangkok with unrealistically high expectations. Despite the Thai foreign ministry's strong desire to improve relations with North Vietnam, prospects for significant progress, such as the establishment of diplomatic relations, do not appear good now.

Perhaps with an eye toward North Vietnamese pressure on the US troop presence, Prime Minister Khukrit said in a press conference yesterday that a speed-up in the withdrawal of US forces from Thailand would pose more problems for Thailand than for the US. The Thai also expect that Hanoi will press hard for the return of all South Vietnamese aircraft and ships. Chatchai initially favored meeting this demand, but has been overruled by Prime Minister Khukrit and the senior military leadership.

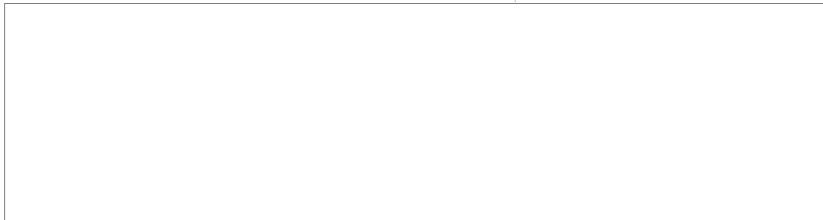
Another obstacle to normalization of relations is that the Thai insist on repatriating Vietnamese refugees who have been living in northeast Thailand for some 30 years. An outbreak of anti-Vietnamese demonstrations in the northeast this past week was almost certainly inspired by government officials, who are determined to remind Hanoi of Bangkok's own conditions for improved relations.

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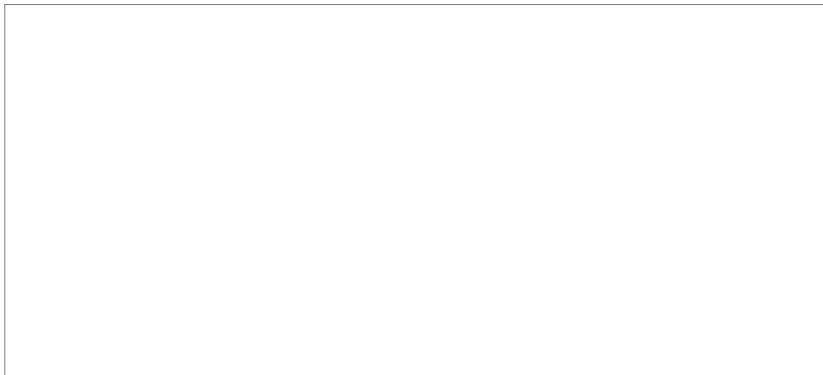
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NOTES

Although the worst of the recession is almost certainly over, we expect some further decline in production in the six major foreign economies.

Japan, France, and West Germany appear to be closest to bottoming out. At the other extreme, the British economy threatens to get worse before it gets better. Canada is still suffering from spill-over effects of the US downturn. Italy's prospects are the most uncertain: we expect a further moderate decline, but a steep dip is possible.

* * *

The Portuguese Armed Forces Movement--faced with mounting political problems--yesterday warned all parties, including the Communists, that they should align themselves with the Movement's policies.

Emphasizing its disapproval of continuing dissension between the Communists and the Socialists, the government yesterday closed down the Socialist paper which Communist printers had seized on Monday. Pending a decision by a special press tribunal, the paper will not resume publication. The armed forces general assembly has attributed civil unrest in Portugal to both "the forces of reaction and groups of leftist provocateurs." The general assembly also approved a statement deploring the "divisionist and counterrevolutionary nature" of the outlawed Reorganizing Movement of the Proletariat Party. On Monday night, members of the Reorganizing Movement reportedly beat up two Marine guards assigned to the US embassy.

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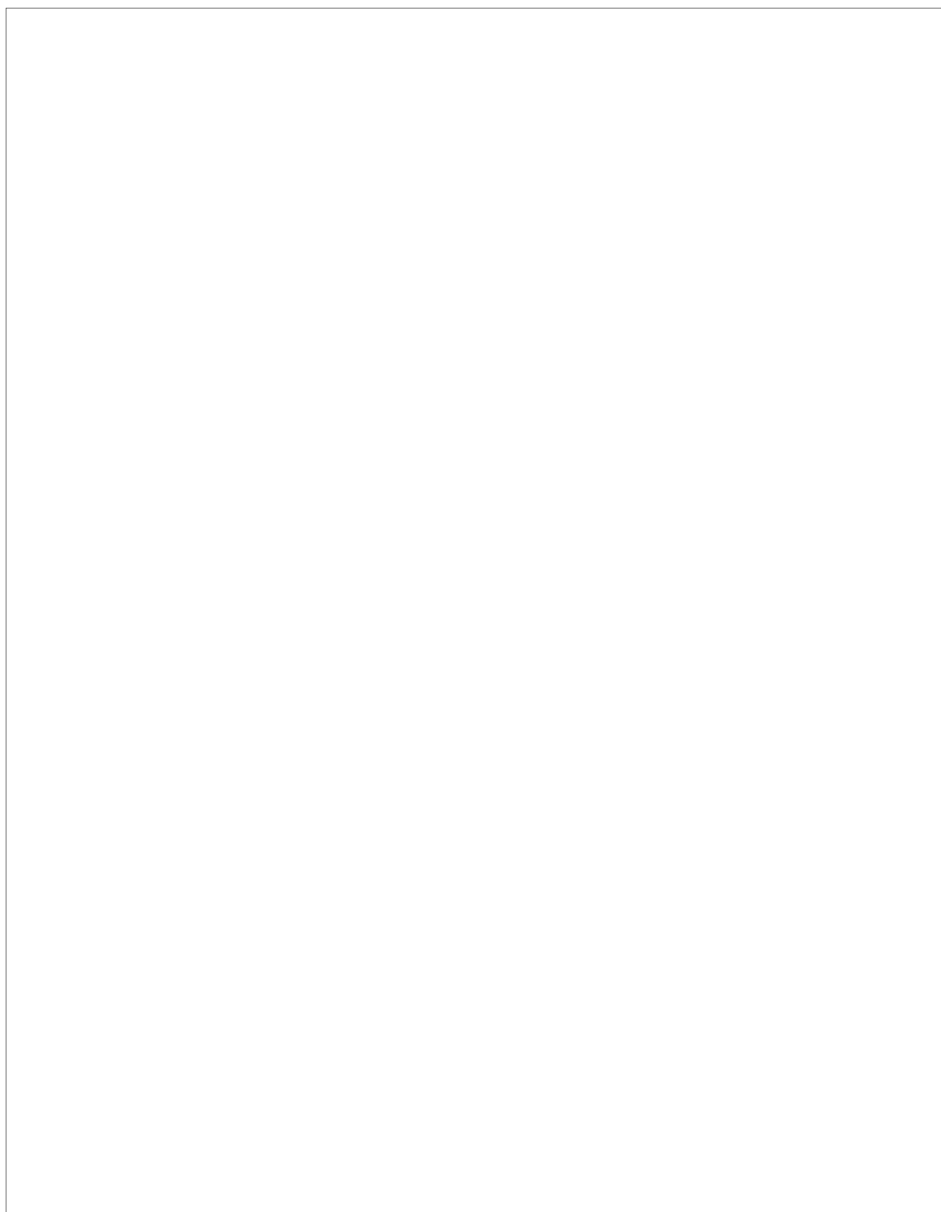
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Chile.

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Peru continues to build up its military forces near the Chilean border.

[redacted] continued construction of barracks, vehicle storage sheds, and other military support structures close to the border. Earlier this month, large numbers of trucks, armored personnel carriers, and French-made AMX tanks were [redacted] 18 nautical miles from Chilean territory.	25X1
Also for the first time, Soviet-build T-55 tanks [redacted] in southern Peru. Two T-55 tanks and the gun barrels of 18 others protruding from a storage shed were noted. There is no other indication, however, that Peru might be planning military action against Chile in the immediate future. Chile, too, has been gradually augmenting its own military forces near the Peruvian border; [redacted]	25X1 25X1 25X1
[redacted] increased numbers of aircraft, tanks, and armored personnel carriers stationed at facilities in the area.	25X1 25X1

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